

CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

INFORMATION REPORT

COUNTRY Rumania

CD NO. 25X1A

SUBJECT Economic, Social, and Political Information

DATE DISTR. 15 July 1952

PLACE ACQUIRED [REDACTED] 25X1A

NO. OF PAGES 1

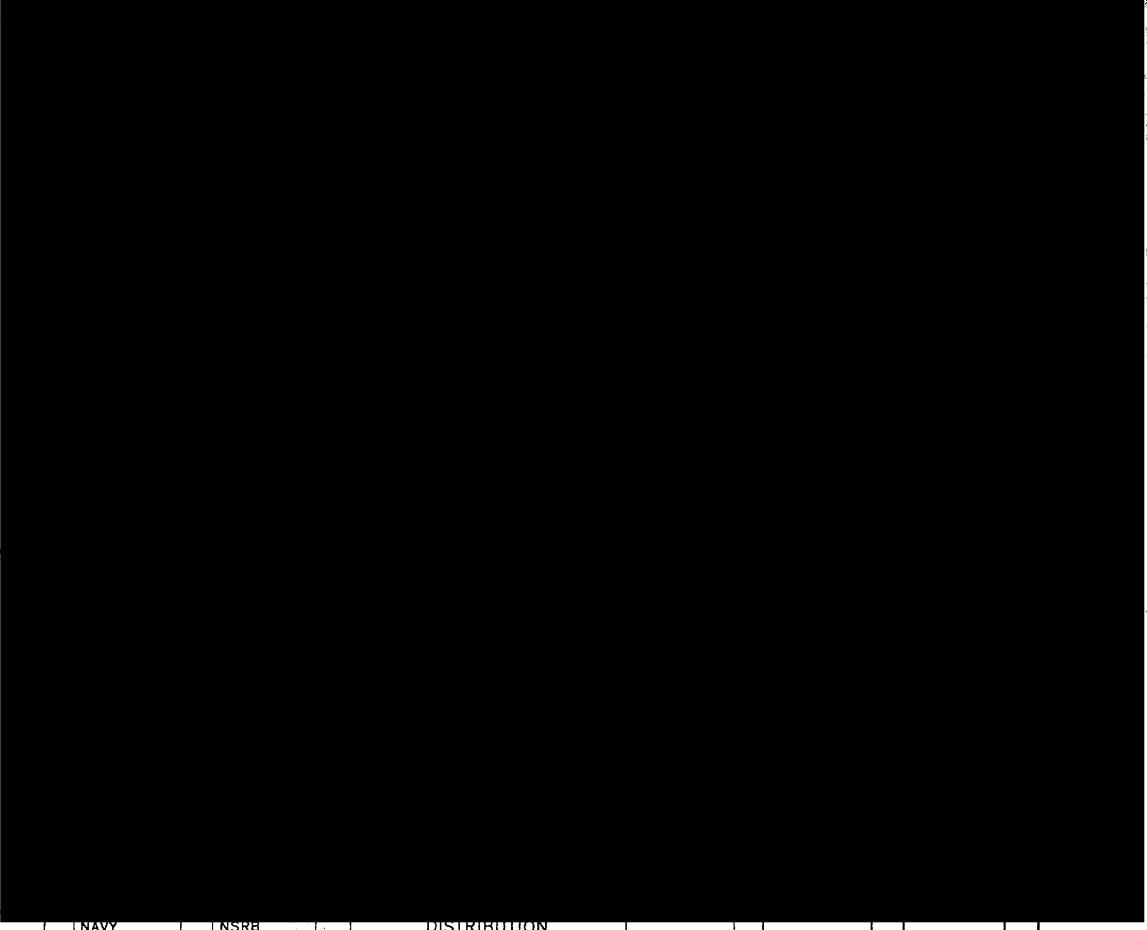
NO. OF ENCLS. 1 (51 pp.)
(LISTED BELOW)DATE ACQUIRED See Text
OF INFO

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SUPPLEMENT TO
REPORT NO.

MAY 8 1953

Attached for your information and retention is a document dealing with economic, social, and political information.



STATE	NAVY	NSRB	DISTRIBUTION	25X1A
ARMY	AIR			

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*Att'd due
9 Jan.*

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SECURITY INFORMATION

THIS IS AN ENCLOSURE TO
DO NOT DETACH

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B) - ECONOMIC INFORMATIONa) Food supply

Jan 52 - The food ration card system
is still in effect in Rumania.

In fact, it is rumored that
as of 1 January [sic] further
restrictive measures will be taken against
the farmers and all those who
have any farmland.

b) Industries

① Jan 52 - "SARMEI" metallurgical plant located on the southern BRAILA

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outskirts of the city, on the bank
of the Danube River. (see no. 3
of attachment no. 1)

Increase in plant's potential

In 1950-1951, the following projects
were carried out:

- a new Vulcan-type steam
boiler was installed.
- preparations were made to install
another such boiler.
- to house these two boilers,
the building containing the
boiler room was extended.
- water conduits and other
installations were built.

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- wells were dug for the fire-fighting services.

Production:

- tools for miscellaneous work
- wire
- construction iron

This iron ordinarily comes from Czechoslovakia and the USSR.

Workers:

- about 2,000, divided into 3 shifts.
- Chief engineer: VOINESCU COSTICA.

Jan 52 - "PROGRESUL" Metallurgical Plant BRAILA
(formerly called Franco-Romana)

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located on the northern outskirts of the city. This is an important plant which employs 4,000-5,000 workers.

Plans are afoot to expand the plant and increase its potential; work has already begun with the extension of a building; it will cost a total of 500 million (?) lei computed on the basis of the monetary value prevailing prior to the recent monetary reform.

Production

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Boilers and materiel for the shipbuilding and petroleum industries. No other details are available.

Jan 52 - I. M. D. (INTreprindere Metal-BRAILA

LURGICA DANUBIANA, Danubian Metallurgical Enterprise) plant located on Dorobanti street. This is an important plant which employs about 1,200 workers.

Production:

- nails and rivets of various sizes
- various types of screws
- chains for various uses

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Jan 52 - "STANCA" cement factory BRAILA
located on street formerly
called Joan CANTACUTINO.

Projects to increase factory's potential:

In 1950-1951, the following projects
were carried out:

- a new clay dryer of Rumanian
make was installed.
- a new building was built.

Workers:

- about 400, including 60 members
of the labor battalions.

The work is carried out in three
shifts.

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Production:

About 38 railroad carloads daily of cement of the following types:

- Portland cement, called "super cement", of two types:

(Portland "Mark 400" made with a low percentage of metallurgical alloy

- Portland "Mark 300" made with 25 percent metallurgical alloy.

- metallurgical cement

- ordinary cement which is of lower quality

Before undertaking the above-

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mentioned projects, the production of the factory in question amounted to 24 railroad carloads daily.

Disposal of output

90 percent of the cement produced is sent to the USSR and 10 percent to the domestic market.

The cement shipped to the USSR is put in 50-kilogram paper bags, while that earmarked for local consumption is handled in bulk owing to the shortage of bags.

Jan 52 - Preserved food plant and

79-80
VADENI
[illegible]

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establishment for wine processing
and bottling.

It was built in 1949-1950.

Its machinery came from Italy.
The plant went into operation in
the fall of 1950.

c) State building enterprises

Jan52- "INTreprindere No. 7" (Enterprise GALATI
no. 7) 79-80
40-M

Its main offices are located
in GALATI.

General Remarks

This enterprise operates in
Galati Province.

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Branches, called "work yards"
are found in the principal cities
of the province.

Director: one PRECUP, a former laborer

Assistant director: STOICA, former
director who used to be a laborer

Chief engineer: engineer MENDELSON,
a Jew.

Jan52- "INTRAPRINDERE No. 7"- Work Yard(?) BRAILA
Work yard no(?) of enterprise
no. 7, responsible to the main
offices in GALATI.

The offices of the work yard
are located at 21, Stalin Street

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Calazasi).

Director: engineer BOREICHER,
Constantin

Technicians:

- engineer CHIRCULESCU
- building expert DRAGAN, Nicolai
- " " DRAGAN, Stan, sister of Nicolai
- " " BALAN (first name not known)

Workers: - 400 civilians

- 400 members of the labor battalions who are housed in the former "HILDEBRAND" grain warehouses and in

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The former forestry offices.

Materials warehouse

Located on DOROBANTI street.

Motor vehicles

- 2 trucks

Work performed

Construction of new barracks
and stables; construction and
expansion of factories.

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d) Flour milling industry

Jan 52- Mills formerly owned BRAILA
by the Greek nationals RICHIAR-
DOLO and AMBATIS.

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They are located on Carantina street, adjacent to the barracks occupied by a Graniari unit (fluvial branch).

The source does not know whether these mills are now in operation.

He reports that a railroad siding is under construction to service the mills.

e) Social conditions

Jan 52 - Milk pasteurizing plant BRAILA built in 1949-1950 on DOROBANTI street. It is not in operation

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due to lack of milk.

f) Miscellaneous

Jan 52 - Infirmary for horses BRAILA
and cattle built in the fall
of 1949 on Karl Marx (formerly
Carol) Boulevard.

It consists of the following:

- A stable, 20x8 meters, divided into 8 stalls for as many animals.
- A building used for surgery and as clinic.
- A building to house the attending personnel.

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This is the only infirmary
of its type in the region.

C) - POLITICAL INFORMATION

a) Miscellaneous

Jan 52 - Former Markus Greek partisans BRAILA
in Rumania

Many such partisans reside
in Braila, most of them with
their families.

They do manual labor in the
local factories and other such
establishments.

Note

The attached sketch attachment

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Unidentified infantry unit

79-80

Jan52- Housed in barracks located CERNAVODA
on the northern outskirts of this
city, near the cement factory.

40-Q

The barracks consist of 3-4
2-story masonry buildings.

These buildings are slated to
be torn down because of the
Danube-Black Sea canal project.

Not more than 100 men are
billetted there.

Miscellaneous unidentified units

79-80

Jan52- Housed in the barracks CONSTANTA
located on CAROL street.

44-Q

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These are unidentified infantry,
artillery, and armored force units.

Also all the other large
buildings on this street are occupied
by Soviet troops.

Note

The source is unable to give
data on the unit identification
numbers and the strength of
these units.

/ B)-ECONOMIC INFORMATION

a) Agriculture - State agricultural
enterprises

Jan 52- State agricultural enterprises

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have been set up throughout the area between CERNAVODA (40-Q) and MEDIODIA (42-Q), north of the railroad line connecting these two points and west of the MEDIODIA-TULCEA (44-M) ^{railroad} line.

The land area of the enterprises varies; they are about 6 to 10 kilometers apart.

Jan 52 - State agricultural enterprise CERNANODA 79-80
44-Q
complex. In the area east and northeast of this city, 4 such enterprises have been set up with private farms which since the

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last war have been confiscated
and nationalized.

These four enterprises are
located in the following places:

- DOROBANTU (where the administration
is located)

- TEPES VODA

- BALTAGESTI

- TORTOMANU

These enterprises cover an
area totaling 10,000 hectares.

All the above localities are in
the area described above, but
are not shown on the map.

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Farm workers employed

These enterprises have a number of permanent farm workers to whom are added seasonal workers during period of greatest activity.

The number of permanent workers is as follows:

- DOROBANTU enterprise : 100-120

- TEPEȘ VODA n 150

- BALTAGESTI n 90

- TORTOMANU n 70

Motor vehicles:

- 60 tractors of various unidentified types

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- one automobile assigned to
the administration

- there are no trucks, but, when
needed, they are hired from
the constanta state transport
enterprises.

Crops grown

wheat, corn, oats, barley, peas,
wine, cotton.

Stock raising

These four enterprises raise
livestock as follows:

sheep about 1,000

cattle " 60

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milk cows about 100

horses " 100

This stock is distributed according to use as follows:

- cattle, for draft and to

work the farmland

- milk cows and sheep, for milk

- horses, for draft and pack transportation

Some of the live stock is for slaughter.

Structures (known to the source):

- at DOROBANTU:

- a wheat silo to store

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the wheat of the four enterprises

- 2 workers' homes (characteristics not known)
- at TEPES VODA:
 - In 1949, a single-story building was built; it is about 36x9 meters and is used to house workers. Its capacity is 104 men.
 - In 1952, a masonry and wooden warehouse, about 40x7 meters, was built with inner partitions of wood. It is used to store wheat,

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corn, and barley. It has a capacity of 60 railroad carloads.

- at BALTAGESTI:

- 3 structures are about to be completed to house workers without families. These are one-story buildings, each about 28x8 meters.

- at TORTOMANI:

- 2 structures similar to those at Baltagesti are being completed

Jan 52 - TERPES VODA state agricultural enterprise

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Located in the area described in the preceding section.

The land was once owned by the Dumitrescu family; the head of this family, General Constantin Dumitrescu, was commander in chief of the Rumanian gendarmerie under the old regime. His son, also named Constantin but called "Pini", was private secretary to King Carol.

The father, who was arrested soon after the present regime took over, died before coming up for trial.

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All the family property has been confiscated and now constitutes the TEPEŞ VODA state agricultural enterprise which covers an area of 30 hectares, most of which is planted to grapevine. This region is famous for its wines.

Cotton cultivation

Cotton cultivation began in 1951 over an area of about 500 hectares. This cultivation is under the direction of Soviet technicians headed by an agricultural engineer not known to the source.

In addition to an undetermined

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(number of) civilian workers, about 500 military personnel were assigned to the harvest which came to an average of one railroad carload (10 tons) daily and a total of 300-400 tons for the 500 hectares under cultivation.

The technicians consider this first harvest as very good, both as to quality and quantity; in fact, except for a ^{severe} hailstorm, the harvest would have been even better.

Cotton acreage will be increased this year.

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Total production of the 4 enterprises

In 1951, production was good, as follows:

- wheat, about 170 railroad car-loads
- cotton, between 30 and 40 carloads
- undetermined quantities of corn, barley, oats, peas for feeding hogs, and wine.

Destination of products

- cereals, to the DOROBANTU silos
- wine, to unknown destination by railroad
- cotton, loaded on Rumanian

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25X1A

lighters and shipped to un-known destination
-wool, sent by truck to a govern-
ment warehouse in CONSTANTA
-milk, sent to the CONSTANTA
hospitals and to a dairy
plant

Soviet control

The source reports that there
are no Soviet managers or
technicians in the 4 enterprises
in question.

It is known locally, however,
that this group of enterprises

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is subjected to Soviet control.

Director:

one TAGATA, Gheorghe, 45 years old,
according to hearsay information
a former captain in the old
Romanian Royal Air Force.

Engineers

2 agricultural engineers (their
names are not known to the source)

Workers' quarters

- the workers who reside in nearby
villages sleep at home
- those who do not live nearby

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and have no family are housed
in the workers' quarters provided
by the enterprises.

Mess and food

All the workers eat in the mess
halls of their respective enterprises.

Their meals are as follows:

- breakfast

- 1/4 liter of tea and 1/2 kilo-
gram of bread to last all day

- dinner

- bean or potato soup

- potatoes or beans

- 100 grams of meat with

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beans or potatoes twice a week

(ciorba)

- supper

- same as dinner, except

that the order is inverted

Working hours

- masons: piece work with no fixed hours

- agricultural workers: from 0700 to 1200 and from 1500 to 1900

Pay

- masons: at piece work, as much as 800-1,000 lei before the lei

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was reevaluated; their present earning capacity is not known.

- laborers: 250 lei daily prior to monetary revaluation; present earnings unknown.

- agricultural workers: by "norm," before revaluation of the lei, 200-250-300 lei daily; after the reevaluation of the lei, from 6 to 8 lei daily.

Social insurance

applies to workers automatically when they join the labor unions.

b) INDUSTRIES

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79-80

44-Q

Jan52 Screw, nail and rivet factory CERNAVODA
here employs 200-250 workers.

It is expected that this factory will be transferred to SALIGNY (locality shown on the map, located about 10 kilometers southeast of Cernavoda, on the railroad line leading to CONSTANTA).

Jan52-Cement factory CERNAVODA

Former Franco-Belgian stock company, which has now been nationalized.

At present it employs about 250 workers.

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Before its installations were improved (at an undetermined date), it employed about 1,000 workers.

Kilns

- 1 rotating kiln of American type, 100 meters long and 3 meters in diameter; imported from the US about 15 years ago. Its productive capacity is about one railroad car-load of cement per hour.
- 1 rotating kiln of German make, 80 meters long and 8 meters in diameter. Its productive capacity

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is 14 railroad carloads of cement in 24 hours.

- 1 rotating kiln of German make, 80 meters long and 2.60 meters in diameter. Its productive capacity is 10 railroad carloads of cement in 24 hours.

Types of cement produced:

- quick-setting "SUPER" type
- normal-setting "PORTLAND" type

All three kilns produce both types.

Jan 52 - New cement factory located 79-80
MEDJIDIA
42-Q

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1 kilometer east of Medgidia.

Its construction was completed in 1951. It began production early in 1952.

Its installations are not known, but it is known that it is a much larger plant than that at Cernavoda mentioned above; its installations are ^{also} larger.

The stone quarry from which the raw material is obtained is located on the spot.

c) FINANCE

Revaluation of the lei-Monetary exchange

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28 Jan 52 - As is already known, on the date indicated in the margin a Rumanian government decree went into effect for the revaluation of the lei and exchange of the money in circulation. The exchange was carried out as follows:

- on 24 January, all the news-papers announced that prices of goods sold at state retail stores would drop 30 percent.

- on 27 January, the radio announced that the following day and for a period of 3 consecutive days money in

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the possession of individuals must be exchanged for newly issued currency. ~~the~~

The rate of exchange was as follows:

- for the first 1,000 lei, 10 new lei
- for the next 1,000 lei, 5 " "

- " " " " 5 " "

- above 3000 lei 2,50 new lei

per thousand

Foreign exchange

- Before revaluation of the lei, a US dollar was quoted on the black market at 600 to 700 lei

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- after revaluation of the lei,
a US dollar was quoted at 13 lei.

- gold pounds sterling, marengos
and Italian lire were not to
be found even on the black
market.

Note:

While before revaluation of
the lei, the US dollar was quoted
at 600-700 lei, after the revaluation
its new quotation of 13 lei corresponded
to 1,600 old lei.

Prices and salaries

Prices

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Listed here are prices of certain commodities before and after re-valuation of the Lei (in Lei):

	<u>before</u>	<u>after</u>	
-meat	150	5	per kg
-sugar	200	9	" "
-rice	200	9	" "
-dark wheat flour	120	5	" "
-corn meal	50	2.50	" "
-eggs	20	.50	each
-table wine	87	4.20	per liter
-1 live chicken (of about 2 kgs)	300-350	8-9	each
-milk	60	1.10	per liter
-"MARESESTI" cigarettes	3b	1.70	per pack
-"NATIONALE"	" 24	1.40	" "

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c) - ECONOMIC INFORMATION

a) Motive power

" " "SULZER" Thermolectric power plant 79-80
CANARA
43-Q
Newly built; in operation since
1950.

Its construction is connected
with the Danube - Black Sea
canal project. It is located
about 1,500 meters north of CANARA.

" Thermolectric power plant under 79-80
construction SIUT-GH1OL
43-Q

Located near Sint-Ghiol, on the
western shore of Lake Sint-Ghiol.

The building is being completed

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This plant is also to provide power to run the machinery and installations of the Danube-Black Sea canal project.

b) Finance

Feb52- Compulsory exchange of lei in Rumania

On 28 January 1952, the compulsory exchange of old currency began in Rumania for newly issued, on the basis of the so-called "monetary reform".

The basic currency, however, is still the lei which differs from the old leo in the printing of the

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bills and the minting of the coins, as well as in the supposedly greater purchasing power attributed to it.

On 24 January, the radio announced the immediate closing down of all stores and banks and their re-opening shortly.

On 28 January, the monetary reform was announced by radio; on the basis of this reform, the lei was stabilized in relation to the gold value of the ruble, and the exchange of old for new currency was begun at once.

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The rate of exchange was as follows:

- for the first 1,000 old lei, 10 new ones
- for the next 2,000 old lei, 5 new lei per thousand.
- for every 1,000 old lei over the first 3,000, 2.50 new ones

Thus, for the first 3,000^{old} lei, one received a total of 20 new lei.

The exchange of illimitied amounts was allowed. Naturally, the possessors of very large sums were reported, and measures are foreseen against them.

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The reform disillusioned almost the entire population, because every one had savings which suddenly were greatly decreased.

The reform, however, was justified by party and government propaganda as the only means of uncovering and punishing speculators and workers' exploiters, pointing out that while the rate of exchange was as has been described above, new wages and salaries would be at the rate of 20 to 1, i.e., 1,000 old lei for 50 new ones.

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The denominations of the new bills and coins are as follows:

- 100 lei bill (maximum denomination)
- 25 " "
- 10 " "
- 5 " "
- 3 " "
- 1 lei nickel coin
- 1 ban^{coin} of light alloy, in dark brass color
- 5 ban coin of an alloy similar to the preceding one
- 10 ban coin of an alloy similar to the preceding one

(1 ban = 1/100 of a lei)

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25X1A

Wages and prices on the basis
of exchange

With the new money, wages
and salaries have been paid at
the rate of 20 old lei to
1 new one.

For example :

- a worker who received 12,000

lei per month, now receives 600

- one who received 6,000 lei, now
receives 300

- a suit of clothes which

used to cost 20,000-23,000 lei

on the free market now

may be purchased for 1,000 to

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SECURITY INFORMATION

12,000 lei

- 1 kilogram of white bread
which used to cost 98 lei now
costs 2.50 lei, while a meal
which used to cost 50 lei
now may be had for 3 lei
Salaries above 30,000 old
lei have been correspondingly
reduced greatly.

From the few data given by
the source it is not possible to
draw a picture of the new
economic situation brought
about by the monetary reform.

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~~SECURITY INFORMATION~~

Jan 52 - Resorts for "Stakhanovist" workers

79-80
CONSTANTA
43-Q

The former summer-house of Constanta has been repaired and renovated. The work was done by political prisoners. At present, it is used as a rest home for "Stakhanovist" workers.

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